UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15 (d) of the

Securities Exchange Act of 1934

Date of Report (Date of earliest event Reported): February 6, 2009

EQUINIX, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware (State or Other Jurisdiction of Incorporation) 000-31293 (Commission File Number) 77-0487526

(IRS Employer Identification Number)

301 Velocity Way, 5th Floor Foster City, California 94404 (650) 513-7000

(Addresses of principal executive offices)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

□ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

□ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

□ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition

The information in Item 2.02 of this Current Report is being furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. The information in Item 2.02 of this Current Report shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

On February 11, 2009, Equinix, Inc. ("Equinix") issued a press release announcing its financial results for the quarter and year ended December 31, 2008. A copy of the press release is attached as Exhibit 99.1. Equinix released certain non-GAAP information in the press release and attached to the press release is a reconciliation to the non-GAAP information.

On February 11, 2009, in connection with the issuance of the press release, Equinix will hold a conference call to discuss the press release.

Item 8.01. Other Events.

In December 2004, in light of the availability of fully built-out data centers in select markets at costs significantly below those costs Equinix would incur in building out new space, Equinix made the decision to exit leases for excess space adjacent to one of Equinix's New York metro area IBX centers, as well as space on the floor above its original Los Angeles IBX center. As a result of Equinix's decision to exit these spaces, Equinix recorded restructuring charges totaling \$17.7 million which represented the present value of Equinix's estimated future cash payments, net of estimated subrental income and expense, through the remainder of these lease terms, as well as the write-off of all remaining property, plant and equipment attributed to the partial build-out of the excess space on the floor above its Los Angeles IBX center. During the past several years, Equinix has periodically adjusted the initial \$17.7 million restructuring charge for these two excess space leases as a result of revised sublease and other assumptions as new information became available.

In February 2009, due to changing market conditions, Equinix has decided to expand its Los Angeles IBX center into such excess space and will thus reverse a portion of the previously incurred restructuring charge. Equinix estimates that this restructuring charge reversal is approximately \$5.7 million, which will be reflected in Equinix's financial statements for the quarter ended March 31, 2009. Equinix's excess space lease in the New York metro area will remain under a restructuring charge.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

99.1 Press Release of Equinix, Inc., dated February 11, 2009.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

By:

EQUINIX, INC.

DATE: February 11, 2009

/s/ KEITH D. TAYLOR

Keith D. Taylor Chief Financial Officer

EXHIBIT INDEX

Exhibit	
<u>Number</u>	

Press Release of Equinix, Inc., dated February 11, 2009.

Description

99.1

Equinix Reports Fourth Quarter and Year End 2008 Results

FOSTER CITY, Calif .-- (BUSINESS WIRE) -- February 11, 2009 -- Equinix, Inc. (Nasdaq: EQIX):

- Reported 2008 annual revenues of \$704.7 million, a 68% increase over the previous year
- Reported 2008 annual adjusted EBITDA of \$292.5 million, an 88% increase over the previous year
- Revised 2009 annual revenue guidance to \$855.0 million to \$875.0 million, an increase of approximately 23% over 2008 results at midpoint
- Maintained adjusted EBITDA guidance of \$365.0 million to \$385.0 million

Equinix, Inc. (Nasdaq:EQIX), a provider of global data center services, today reported quarterly and year-end results for the period ended December 31, 2008.

Revenues were \$190.7 million for the fourth quarter, a 4% increase over the previous quarter, and \$704.7 million for the year-ended December 31, 2008, a 68% increase over 2007 revenues. 2007 results reflect the Company's acquisition of IXEurope plc effective September 14, 2007. Recurring revenues, consisting primarily of colocation, interconnection and managed services were \$182.8 million for the fourth quarter, a 5% increase over the previous quarter, and \$670.1 million for the year-ended December 31, 2008, a 68% increase over 2007. Non-recurring revenues were \$7.9 million in the quarter and \$34.6 million for the year-ended December 31, 2008.

Cost of revenues were \$108.3 million for the fourth quarter, a 1% decrease from the previous quarter, and \$414.7 million for the year-ended December 31, 2008, a 57% increase over 2007. Cost of revenues, excluding depreciation, amortization, accretion and stock-based compensation of \$42.1 million for the fourth quarter and \$150.0 million for the year, were \$66.2 million for the fourth quarter, a 6% decrease over the previous quarter, and \$264.7 million for the year-ended December 31, 2008, a 60% increase over 2007. Cash gross margins, defined as gross profit less depreciation, amortization, accretion and stock-based compensation, divided by revenues, for the quarter were 65%, up from 62% the previous quarter and 57% the same quarter last year. Cash gross margins were 62% for the full year of 2008, up from 62% the previous quarter and 57% the same quarter last year.

Selling, general and administrative expenses were \$55.5 million for the fourth quarter, an 8% increase over the previous quarter and \$213.5 million for the year-ended December 31, 2008, a 46% increase over 2007. Selling, general and administrative expenses, excluding depreciation, amortization and stock-based compensation of \$15.1 million for the fourth quarter and \$66.0 million for the year, were \$40.4 million for the fourth quarter, a 12% increase over the previous quarter, and \$147.5 million for 2008, a 50% increase over 2007.

The Company recorded a net income tax benefit in the fourth quarter of 2008 of \$104.9 million, which was largely the result of the Company releasing its valuation allowances for its U.S. and Australian operations and recording the associated net deferred tax assets on its balance sheet. As a result, net income for the fourth quarter was \$116.5 million, or \$11.6 million excluding the net income tax benefit. This represents a basic net income per share of \$3.13 and diluted net income per share of \$2.74 based on a weighted average share count of 37.3 million and 43.7 million, respectively, for the fourth quarter of 2008. Net income per share of \$3.11 based on a weighted average share count of 37.3 based on a weighted average share of \$3.31 based on a weighted average share of \$3.31 based on a weighted average share of \$3.400 million, respectively, for the fourth quarter of 2008. Net income per share of \$3.31 based on a weighted average share count of 37.3 million and 43.7 million, respectively, for the company will record income per share of \$3.31 based on a weighted average share count of 37.4 million, respectively, for the year-ended December 31, 2008, we share of \$3.58 million and 43.7 million, respectively, for the year-ended December 31, 2008. Commencing in 2009, the Company will record income tax expense at the prevailing net blended tax rates and the Company's effective tax rate will be more significant than in prior years.

Adjusted EBITDA, defined as income or loss from operations before depreciation, amortization, accretion, stock-based compensation, restructuring charges and any gains or losses from asset sales, for the fourth quarter was \$84.1 million, an increase of 9% over the previous quarter, and \$292.5 million for the year-ended December 31, 2008, an 88% increase over 2007.

"Equinix delivered exceptional results in 2008, creating a strong platform for continued growth in 2009," said Steve Smith, president and CEO of Equinix. "Although we continue to closely monitor our leading indicators, we believe that strong day-to-day execution, a fully funded expansion plan, and a continued focus on customer requirements will help us navigate through this challenging economic environment."

Capital expenditures in the fourth quarter were \$165.6 million, of which \$32.1 million was attributed to ongoing capital expenditures and \$133.5 million was attributed to expansion capital expenditures. Capital expenditures for the year-ended December 31, 2008 were \$471.1 million, of which \$67.5 million was attributed to ongoing capital expenditures and \$403.6 million was attributed to expansion capital expenditures.

The Company generated cash from operating activities of \$76.3 million for the fourth quarter as compared to \$63.3 million in the previous quarter. Cash generated from operating activities for the year-ended December 31, 2008 was \$267.6 million as compared to \$120.0 million in the previous year. Cash used in investing activities was \$51.9 million in the fourth quarter as compared to \$82.4 million in the previous quarter. Cash used in investing activities for the year was \$486.7 million as compared to \$1.1 billion in the previous year.

As of December 31, 2008, the Company's cash, cash equivalents and investments were \$307.9 million, as compared to \$383.9 million as of December 31, 2007.

Other Company Developments

- Announced plans for incremental expansions to the Company's Los Angeles 1 and Chicago 2 IBX centers increasing the net sellable cabinets by approximately 700. The Company will spend
 approximately \$35.0 million in expansion capital expenditures, of which \$4.0 million was spent in 2008
- Completed expansions in the Singapore and Sydney markets, adding approximately 1,100 cabinets in Asia-Pacific
- Announced plans for a fourth-phase expansion to the Company's Hong Kong 1 IBX center, adding 200 net sellable cabinets. The Company will spend approximately \$7.5 million in expansion capital expenditures

Company Metrics

- Cabinet capacity as of December 31, 2008, and excluding the Europe region, was approximately 34,200 cabinets, including 27,100 in the U.S., and 7,100 in Asia-Pacific
- The total number of cabinets billing as of December 31, 2008, and excluding the Europe region, was approximately 27,650 representing an approximate utilization rate of 81%, a net increase of approximately 1,250 cabinets in the quarter.
- Cabinet churn, excluding the Europe region, was approximately 1.3% in the quarter. Monthly Recurring Revenue (MRR) churn, excluding the Europe region, was approximately 2.4% in the quarter
- On a weighted average basis as of December 31, 2008, and excluding the Europe region, the number of cabinets billing was approximately 27,320 representing an approximate utilization rate of 80%. In the U.S., this result was 21,400 representing an approximate utilization rate of 79%. In Asia-Pacific, this result was 5,920 representing an approximate utilization rate of 85%
- Weighted average MRR per cabinet as of December 31, 2008, and excluding the Europe region, was \$1,689. In the U.S., the MRR per cabinet was \$1,816 and in Asia-Pacific, the MRR per cabinet was \$1,272
- U.S. interconnection service revenues were 19% of U.S. recurring revenues for the quarter. Interconnection services represented approximately 14% of total worldwide recurring revenues for the quarter
- The total number of U.S. cross connects billing as of December 31, 2008 was 22,193
- The total number of exchange ports sold as of December 31, 2008 was 702, of which 146 were in Asia-Pacific, 71 were in Europe, and 183 were 10 gigabits per second Ethernet ports. This number also reflected churn from customer upgrades to 10 gigabits per second and non-billing ports that were decommissioned in the U.S. Traffic on the U.S. exchange platform increased to 255 gigabits per second in the fourth quarter compared to 235 gigabits per second the previous quarter
- Added 110 new customers in the quarter bringing the total number of customers worldwide to 2,272

Business Outlook

For the first quarter of 2009, the Company expects revenues to be in the range of \$198.0 to \$200.0 million. Cash gross margins are expected to be approximately 63%. Cash selling, general and administrative expenses are expected to be approximately \$40.0 million. Adjusted EBITDA is expected to be between \$86.0 and \$88.0 million. Capital expenditures are expected to be between \$100.0 to \$110.0 million, comprised of approximately \$20.0 million of ongoing capital expenditures and \$80.0 to \$90.0 million of expansion capital expenditures.

For the full year of 2009, total revenues are expected to be in the range of \$855.0 to \$875.0 million. Total year cash gross margins are expected to be approximately 63%. Cash selling, general and administrative expenses are expected to be in the range of \$160.0 to \$170.0 million. Adjusted EBITDA for the year is expected to be between \$365.0 and \$385.0 million. Capital expenditures for 2009 are expected to be in the range of \$325.0 to \$375.0 million, comprised of approximately \$60.0 million of ongoing capital expenditures and \$265.0 to \$315.0 million of expansion capital expenditures. Expansion capital expenditures are for the announced expansions in Amsterdam, Chicago, Frankfurt, Hong Kong, London, Los Angeles, New York, Paris and Singapore.

The Company will discuss its results and guidance on its quarterly conference call on Wednesday, February 11, 2009, at 5:30 p.m. ET (2:30 p.m. PT). To hear the conference call live, please dial 210-234-0004 (domestic and international) and reference the passcode (EQIX). A simultaneous live Webcast of the call will be available over the Internet at <u>www.equinix.com</u>, under the Investor Relations heading.

A replay of the call will be available beginning on Wednesday, February 11, 2009 at 7:30 p.m. (ET) through March 11, 2009 by dialing 203-369-3317. In addition, the Webcast will be available on the company's Web site at <u>www.equinix.com</u>. No password is required for either method of replay.

About Equinix

Equinix, Inc. (Nasdaq:EQIX) provides global data center services that ensure the vitality of the information-driven world. Global enterprises, content and financial companies, and network service providers rely upon Equinix's insight and expertise to protect and connect their most valued information assets. Equinix operates 42 International Business ExchangeTM (IBX®) data centers across 18 markets in North America, Europe and Asia-Pacific.

Important information about Equinix is routinely posted on the investor relations page of its website located at <u>www.equinix.com</u>. We encourage you to check Equinix's website regularly for the most up-todate information.

This press release contains forward-looking statements that involve risks and uncertainties. Actual results may differ materially from expectations discussed in such forward-looking statements. Factors that might cause such differences include, but are not limited to, the challenges of acquiring, operating and constructing IBX centers and developing, deploying and delivering Equinix services; unanticipated costs or difficulties relating to the integration of companies we have acquired or will acquire into Equinix; a failure to receive significant revenue from customers in recently built out or acquired data centers; failure to complete any financing arrangements contemplated from time to time; competition from existing and new competitors; the ability to generate sufficient cash flow or otherwise obtain funds to repay new or outstanding indebtedness; the loss or decline in business from our key customers; and other risks described from time to time in Equinix's filings with the Securities and Exchange Commission. In particular, see Equinix's recent quarterly and annual reports filed with the Securities and Exchange Commission, copies of which are available upon request from Equinix. Equinix does not assume any obligation to update the forward-looking information contained in this press release.

Equinix and IBX are registered trademarks of Equinix, Inc. International Business Exchange is a trademark of Equinix, Inc.

Non-GAAP Financial Measures

Equinix continues to provide all information required in accordance with generally accepted accounting principles (GAAP), but it believes that evaluating its ongoing operating results may be difficult if limited to reviewing only GAAP financial measures. Accordingly, Equinix uses non- GAAP financial measures, such as adjusted EBITDA, cash cost of revenues, cash gross margins, cash operating expenses (also known as cash selling, general and administrative expenses or cash SG&A), free cash flow and adjusted free cash flow to evaluate its operations. In presenting these non-GAAP financial measures, Equinix excludes certain non-ceash or non-recurring items that it believes are not good indicators of the Company's current or future operating performance. These non-cash or non-recurring items are depreciation, accretion, stock-based compensation, restructuring charges and, with respect to 2007 results, the gain on EMS sale. Recent legislative and regulatory changes encourage use of and order for Equinix's lenders, investors, and industry analysts who review and report on the Company, to better evaluate the Company's operating performance and cash spending levels relative to its industry sector and competitor base.

Equinix excludes depreciation expense as these charges primarily relate to the initial construction costs of our IBX centers and do not reflect our current or future cash spending levels to support our business. Our IBX centers are long-lived assets, and have an economic life greater than ten years. The construction costs of our IBX centers do not recur and future capital expenditures remain minor relative to our initial investment. This is a trend we expect to continue. In addition, depreciation is also based on the estimated useful lives of our IBX centers. These estimates could vary from actual performance of the asset, are based on historic costs incurred to build out our IBX centers, and are not indicative of current or expected future capital expenditures. Therefore, Equinix excludes depreciation from its operating results when evaluating its operations.

In addition, in presenting the non-GAAP financial measures, Equinix excludes amortization expense related to certain intangible assets, as it represents a cost that may not recur and is not a good indicator of the Company's current or future operating performance. Equinix excludes accretion expense, both as it relates to its asset retirement obligations as well as its accrued restructuring charge liabilities, as these expenses represent costs, which Equinix believes are not meaningful in evaluating the Company's current operations. Equinix excludes non-cash stock-based compensation expense as it represents expense attributed to stock awards that have no current or future cash obligations. As such, we, and our investors and analysts, exclude this stock-based compensation expense when assessing the cash generating performance of our operations. Equinix excludes restructuring charges from its non-GAAP financial measures. The restructuring charges relate to the Company's decision to exit leases for excess space adjacent to several of our IBX centers, which we did not intend to build out. With respect to its 2007 results, Equinix excludes the gain on EMS sale. The gain on EMS sale represents a unique transaction for the Company and future sales of other service offerings are not expected. Management believes such items as restructuring charges and the gain on the sale of a service offering are unique transactions that are not expected to recur, and consequently, does not consider these items as a normal component of expenses or income related to current and ongoing operations.

Equinix also prepares non-GAAP cash flow statements which combine the Company's short-term and long-term investments with our cash and cash equivalents in an effort to present our total unrestricted cash and equivalent balances, which is how management views its cash and equivalent holdings, including its investments in marketable securities.

Our management does not itself, nor does it suggest that investors should, consider such non-GAAP financial measures in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. However, we have presented such non-GAAP financial measures to provide investors with an additional tool to evaluate our operating results in a manner that focuses on what management believes to be our core, ongoing business operations. Management believes that the inclusion of these non-GAAP financial measures provide consistency and comparability with past reports and provide a better understanding of the overall performance of the business and its ability to perform in subsequent periods. Equinix believes that if it did not provide such non-GAAP financial information, investors would not have all the necessary data to analyze Equinix effectively.

Investors should note, however, that the non-GAAP financial measures used by Equinix may not be the same non-GAAP financial measures, and may not be calculated in the same manner, as that of other companies. In addition, whenever Equinix uses such non-GAAP financial measures, it provides a reconciliation of non-GAAP financial measures to the most closely applicable GAAP financial measure. Investors are encouraged to review the related GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measure.

Equinix does not provide forward-looking guidance for certain financial data, such as depreciation, amortization, accretion, net income (loss) from operations, cash generated from operating activities and cash used in investing activities, and as a result, is not able to provide a reconciliation of GAAP to non-GAAP financial measures for forward-looking data. Equinix intends to calculate the various non-GAAP financial measures in future periods consistent with how it was calculated for the three and twelve months ended December 31, 2008 and 2007, presented within this press release.

EQUINIX, INC. CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS - GAAP PRESENTATION (in thousands, except per share detail) (unaudited)

			Three	Months Ended				Twelve Mor	nths En	ded
	De	cember 31, 2008	Sep	otember 30, 2008	Dee	cember 31, 2007	De	cember 31, 2008	Dee	cember 31, 2007
Recurring revenues	\$	182,816	\$	173,517	\$	131,578	\$	670,087	\$	399,656
Non-recurring revenues		7,867		10,218		7,136		34,593		19,786
Revenues		190,683		183,735		138,714		704,680		419,442
Cost of revenues		108,302		109,863		92,480		414,659		263,745
Gross profit		82,381		73,872		46,234		290,021		155,697
Operating expenses:										
Sales and marketing		20,263		16,009		13,117		66,913		40,719
General and administrative		35,214		35,529		33,672		146,564		105,794
Restructuring charges		2,343		799		-		3,142		407
Gains on asset sales		-		-		(1,338)		-		(1,338)
Total operating expenses		57,820		52,337		45,451		216,619		145,582
Income from operations		24,561		21,535		783		73,402		10,115
Interest and other income (expense):										
Interest income		1,120		441		5,066		7,413		15,406
Interest expense		(14,744)		(13,880)		(12,094)		(55,041)		(27,334)
Other income (expense)		705		(520)		(121)		1,307		3,047
Loss on conversion and extinguishment of debt		-		-		-		-		(5,949)
Total interest and other, net		(12,919)		(13,959)		(7,149)		(46,321)		(14,830)
Net income (loss) before income taxes		11,642		7,576		(6,366)		27,081		(4,715)
Income tax benefit (expense)		104,857		(187)		293		104,457		(473)
Net income (loss)	\$	116,499	\$	7,389	\$	(6,073)	\$	131,538	\$	(5,188)
Net income (loss) per share:										
Basic net income (loss) per share	\$	3.13	\$	0.20	\$	(0.17)	\$	3.58	\$	(0.16)
Diluted net income (loss) per share	\$	2.74	\$	0.19	\$	(0.17)	\$	3.31	\$	(0.16)
Shares used in computing basic net income (loss) per share		37,266		36,972		36,003		36,774		32,136
Shares used in commuting diluted not income (loss) nor ab		42 605		27.022		36.002		42 729		22.126
Shares used in computing diluted net income (loss) per share		43,695		37,932		36,003		43,728		32,136

EQUINIX, INC. CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS - NON-GAAP PRESENTATION (in thousands) (unaudited)

			Three	Months Ended			Twelve Mo	nths Ended	
	Dec	ember 31, 2008	Sep	2008 2008	Γ	December 31, 2007	December 31, 2008	Decembe 200	
Recurring revenues	\$	182,816	\$	173,517	\$	131,578		\$	399,656
Non-recurring revenues Revenues (1)		7,867 190,683		10,218 183,735		7,136 138,714	34,593 704,680		19,786 419,442
Cash cost of revenues (2)		66,230		70,601		59,501	264,680		165,411
Cash gross profit (3)		124,453		113,134		79,213	440,000		254,031
Cash operating expenses (4):									
Cash sales and marketing expenses (5)		15,747		12,082		9,079	50,217		29,913
Cash general and administrative expenses (6) Total cash operating expenses (7)	. <u> </u>	24,606 40,353		24,079 36,161		23,072 32,151	97,307 147,524		68,728 98,641
Adjusted EBITDA (8)	\$	84,100	\$	76,973	\$	47,062	\$ 292,476	\$	155,390
Cash gross margins (9)		65%		62%		57%	62%		61%
Adjusted EBITDA flow-through rate (10)		103%		67%		18%	48%		40%

(1) The geographic split of our revenues on a services basis is presented below:

United States Revenues:

Concention 2 1,10 S 0 1,20 S	Colocation	\$ 95,158	\$ 87.988	\$ 67,737	\$ 341,496	\$ 240,473
Managol infrastructure 562 543 598 2,164 2,261 Rental 116 133 116 614 1,105 Recurring revenues 3,856 5,437 4,020 16,839 13,102 Non-recurring revenues 121,501 114,859 90,417 442,803 324,878 Asia-Pacific Revenues: 2 114,859 90,417 442,803 33,945 Interconnection 2,096 1,897 1,350 7,76 4,306 Managed infrastructure 3,367 3,432 3,236 14,308 14,320 Menaged infrastructure 3,367 1,452 10,466 57,030 33,945 Interconnection 2,096 1,897 1,350 7,176 4,306 Managed infrastructure 3,267 1,452 10,466 57,030 33,945 Non-recurring revenues 22,605 19,921 15,052 78,192 52,571 Non-recurring revenues 24,019 21,579 16,261 44,230		• • • • • • • • • • • • • • • • • • • •	,	• • • • • • • • • • • • • • • • • • • •		
Rental 116 133 116 614 1,105 Recurring revenues 117,645 109,422 86,397 425,064 311,706 Non-recurring revenues 121,501 114,859 90,417 442,803 324,878 Asio-Pacific Revenues: 121,501 114,859 90,417 442,803 324,878 Asio-Pacific Revenues: 2,096 1,897 1,350 7,176 4,306 Colocation 17,142 14,592 10,466 57,030 33,945 Interconnection 2,096 1,897 1,350 7,176 4,306 Returing revenues 22,605 19,921 15,052 78,192 52,571 Non-recurring revenues 24,019 21,579 16,261 84,375 57,074 Europe Revenues: 24,019 21,579 16,261 84,375 57,074 Managed infrastructure 3,510 2,991 2,471 11,90 2,938 Rental 100 121 104 142 132						
Non-recurring revenues 3,856 5,437 4,020 16,839 13,102 Revenues 121,501 114.859 90,417 442,803 324,878 Asia-Pacific Revenues: 2006 1,879 1,459 10,466 57,030 33,945 Interconnection 2,906 1,897 1,350 7,176 4,300 Rental -	-	116	133	116	,	
Non-recurring revenues 3,856 5,437 4,020 16,839 13,102 Revenues 121,501 114.859 90,417 442,803 324,878 Asia-Pacific Revenues: 2006 1,879 1,459 10,466 57,030 33,945 Interconnection 2,906 1,897 1,350 7,176 4,300 Rental -	Recurring revenues	117.645	109.422	86,397	425,964	311.776
Revenues 121,501 114,859 90,417 442,803 324,878 Asia-Pacific Revenues: 2 0 148,592 10,466 57,030 33,945 Interconnection 2,096 1,897 1,350 7,176 4,306 Managed infrastructure 3,367 3,432 3,226 13,986 14,320 Rental -		,	,		,	,
Colocation 17,142 14,592 10,466 57,030 33,945 Interconnection 2,096 1,897 1,350 7,176 4,306 Managed infrastructure 3,367 3,432 3,236 13,986 14,320 Retral					442,803	
Colocation 17,142 14,592 10,466 57,030 33,945 Interconnection 2,096 1,897 1,350 7,176 4,306 Managed infrastructure 3,367 3,432 3,236 13,986 14,320 Retral						
Interconnection 2,096 1,897 1,350 7,176 4,306 Managed infrastructure 3,367 3,432 3,236 13,986 14,320 Rental - </td <td>Asia-Pacific Revenues:</td> <td></td> <td></td> <td></td> <td></td> <td></td>	Asia-Pacific Revenues:					
Managed infrastructure 3,367 3,432 3,236 13,986 14,320 Retuil - <td< td=""><td>Colocation</td><td>17,142</td><td>14,592</td><td>10,466</td><td>57,030</td><td>33,945</td></td<>	Colocation	17,142	14,592	10,466	57,030	33,945
Rental 1 <td>Interconnection</td> <td>2,096</td> <td>1,897</td> <td>1,350</td> <td>7,176</td> <td>4,306</td>	Interconnection	2,096	1,897	1,350	7,176	4,306
Recurring revenues 22,605 19,921 15,052 78,192 52,571 Non-recurring revenues 1,414 1,658 1,209 6,183 4,503 Revenues 24,019 21,579 16,261 84,375 57,074 Europe Revenues: 2 2 1,650 1,704 1,218 6,586 1,442 Managed infrastructure 3,510 2,991 2,471 11,590 2,938 Returing revenues 00 121 110 414 132 Recurring revenues 2,566 44,174 30,129 16,5931 35,309 Non-recurring revenues 2,597 3,123 1,907 11,571 2,181 Revenues 2,597 3,123 1,907 11,571 2,181 Worldwide Revenues: 25,555 24,357 20,514 95,452 73,685 Managed infrastructure 7,439 6,968 6,305 27,740 19,519 Returing revenues 7,439 6,968 6,305 27,	Managed infrastructure	3,367	3,432	3,236	13,986	14,320
Non-recurring revenues 1,414 1,658 1,209 6,183 4,503 Revenues 24,019 21,579 16,261 84,375 57,074 Europe Revenues: 37,306 39,358 26,330 147,341 30,797 Interconnection 37,306 39,358 26,330 147,341 30,797 Interconnection 3,510 2,991 2,471 11,590 2,938 Rental 100 121 110 414 132 Non-recurring revenues 2,597 3,123 1,907 11,571 2,181 Revenues 2,597 3,123 1,907 11,571 2,181 Revenues 45,163 47,297 32,036 177,502 37,490 Worldwide Revenues: 2 2 3 3 5,45,867 305,215 Interconnection 149,606 141,938 104,533 545,867 305,215 Interconnection 25,555 24,357 20,514 95,452 73,685	Rental	-	-	-	-	
Revenues 24,019 21,579 16,261 84,375 57,074 Europe Revenues:		22,605	19,921	15,052	78,192	52,571
Europe Revenues: 37,306 39,358 26,330 147,341 30,797 Interconnection 1,650 1,704 1,218 6,586 1,442 Managed infrastructure 3,510 2,991 2,471 11,590 2,938 Rental 100 121 110 414 132 Recurring revenues 42,566 44,174 30,129 165,931 35,309 Non-recurring revenues 2,597 3,123 1,907 11,571 2,181 Revenues 45,163 47,297 32,036 177,502 37,490 Worldwide Revenues: 25,555 24,357 20,514 95,452 73,685 Managed infrastructure 7,439 6,968 6,305 27,740 19,519 Retal 216 226 1,028 1,028 1,237 Retal 216 226 1,028 1,237 Non-recurring revenues 7,867 10,218 7,136 34,593 19,786	Non-recurring revenues	1,414	1,658	1,209	6,183	4,503
$\begin{array}{cccc} Colocation & 37,306 & 39,358 & 26,330 & 147,341 & 30,797 \\ Interconnection & 1,650 & 1,704 & 1,218 & 6,586 & 1,442 \\ Managed infrastructure & 3,510 & 2,991 & 2,471 & 11,590 & 2,938 \\ Rental & 100 & 121 & 110 & 414 & 132 \\ Recurring revenues & 42,566 & 44,174 & 30,129 & 165,931 & 35,309 \\ Non-recurring revenues & 2,597 & 3,123 & 1,907 & 11,571 & 2,181 \\ Revenues & 45,163 & 47,297 & 32,036 & 177,502 & 37,490 \\ \hline \\ Worldwide Revenues: & & & & & & & & & & & & & & & & & & &$	Revenues	24,019	21,579	16,261	84,375	57,074
Interconnection 1,650 1,704 1,218 6,586 1,442 Managed infrastructure 3,510 2,991 2,471 11,590 2,938 Rental 100 121 110 414 132 Recurring revenues 42,566 44,174 30,129 165,931 35,309 Non-recurring revenues 2,597 3,123 1,907 11,571 2,181 Revenues 45,163 47,297 32,036 177,502 37,490 Worldwide Revenues: 1 25,555 24,357 20,514 95,452 73,685 Managed infrastructure 7,439 6,968 6,305 27,740 19,519 Rental 216 224 226 1,028 1,237 Retal 216 254 226 1,028 1,237 Recurring revenues 182,816 173,517 131,578 670,087 399,656 Non-recurring revenues 7,867 10,218 7,136 34,593 19,786 <td>Europe Revenues:</td> <td></td> <td></td> <td></td> <td></td> <td></td>	Europe Revenues:					
Managed infrastructure 3,510 2,991 2,471 11,590 2,938 Rental 100 121 110 414 132 Recurring revenues 42,566 44,174 30,129 165,931 35,309 Non-recurring revenues 2,597 3,123 1,907 11,571 2,181 Revenues 45,163 47,297 32,036 177,502 37,490 Worldwide Revenues: 149,606 141,938 104,533 545,867 305,215 Interconnection 25,555 24,357 20,514 95,452 73,685 Managed infrastructure 7,439 6,968 6,305 27,740 19,519 Retal 216 254 226 1,028 1,237 Recurring revenues 182,816 173,517 131,578 670,087 399,656 Non-recurring revenues 7,867 10,218 7,136 34,593 19,786	Colocation	37,306	39,358	26,330	147,341	30,797
Rental 100 121 110 414 132 Recurring revenues 42,566 44,174 30,129 165,931 35,309 Non-recurring revenues 2,597 3,123 1,907 11,571 2,181 Revenues 45,163 47,297 32,036 177,502 37,490 Worldwide Revenues: Colocation 149,606 141,938 104,533 545,867 305,215 Interconnection 25,555 24,357 20,514 95,452 73,685 Managed infrastructure 7,439 6,968 6,305 27,740 19,519 Rental 216 254 226 1,028 1,237 Recurring revenues 182,816 173,517 131,578 670,087 399,656 Non-recurring revenues 7,867 10,218 7,136 34,593 19,786	Interconnection	1,650	1,704	1,218	6,586	1,442
Recurring revenues 42,566 44,174 30,129 165,931 35,309 Non-recurring revenues 2,597 3,123 1,907 11,571 2,181 Revenues 45,163 47,297 32,036 177,502 37,490 Worldwide Revenues: 45,163 47,297 32,036 177,502 37,490 Colocation 149,606 141,938 104,533 545,867 305,215 Interconnection 25,555 24,357 20,514 95,452 73,685 Managed infrastructure 7,439 6,968 6,305 27,740 19,519 Rental 216 224 226 1,028 1,237 Non-recurring revenues 182,816 173,517 131,578 670,087 399,656 Non-recurring revenues 7,867 10,218 7,136 34,593 19,786	Managed infrastructure	3,510	2,991	2,471	11,590	2,938
Non-recurring revenues 2,597 3,123 1,907 11,571 2,181 Revenues 45,163 47,297 32,036 177,502 37,490 Worldwide Revenues: Colocation 149,606 141,938 104,533 545,867 305,215 Interconnection 25,555 24,357 20,514 95,452 73,685 Managed infrastructure 7,439 6,968 6,305 27,740 19,519 Retral 216 224 226 1,028 1,237 Recurring revenues 182,816 173,517 131,578 670,087 399,656 Non-recurring revenues 7,867 10,218 7,136 34,593 19,786	Rental	100	121	110	414	132
Revenues 45,163 47,297 32,036 177,502 37,490 Worldwide Revenues: 32,036 177,502 37,490 Colocation 149,606 141,938 104,533 545,867 305,215 Interconnection 25,555 24,357 20,514 95,452 73,685 Managed infrastructure 7,439 6,968 6,305 27,740 19,519 Rental 216 254 226 1,028 1,237 Non-recurring revenues 182,816 173,517 131,578 670,087 399,656 Non-recurring revenues 7,867 10,218 7,136 34,593 19,786	Recurring revenues	42,566	44,174	30,129	165,931	35,309
Worldwide Revenues: 149,606 141,938 104,533 545,867 305,215 Interconnection 25,555 24,357 20,514 95,452 73,685 Managed infrastructure 7,439 6,968 6,305 27,740 19,519 Rental 216 254 226 1,028 1,237 Recurring revenues 182,816 173,517 131,578 670,087 399,656 Non-recurring revenues 7,867 10,218 7,136 34,593 19,786	Non-recurring revenues	2,597		1,907	11,571	2,181
Colocation149,606141,938104,533545,867305,215Interconnection25,55524,35720,51495,45273,685Managed infrastructure7,4396,9686,30527,74019,519Rental2162542261,0281,237Recurring revenues182,816173,517131,578670,087399,656Non-recurring revenues7,86710,2187,13634,59319,786	Revenues	45,163	47,297	32,036	177,502	37,490
Interconnection 25,555 24,357 20,514 95,452 73,685 Managed infrastructure 7,439 6,968 6,305 27,740 19,519 Rental 216 254 226 1,028 1,237 Recurring revenues 182,816 173,517 131,578 670,087 399,656 Non-recurring revenues 7,867 10,218 7,136 34,593 19,786	Worldwide Revenues:					
Managed infrastructure 7,439 6,968 6,305 27,740 19,519 Rental 216 254 226 1,028 1,237 Recurring revenues 182,816 173,517 131,578 670,087 399,656 Non-recurring revenues 7,867 10,218 7,136 34,593 19,786	Colocation	149,606	141,938	104,533	545,867	305,215
Rental Recurring revenues 216 254 226 1,028 1,237 Non-recurring revenues 182,816 173,517 131,578 670,087 399,656 Non-recurring revenues 7,867 10,218 7,136 34,593 19,786	Interconnection	25,555	24,357	20,514	95,452	73,685
Recurring revenues 182,816 173,517 131,578 670,087 399,656 Non-recurring revenues 7,867 10,218 7,136 34,593 19,786	Managed infrastructure	7,439	6,968	6,305	27,740	19,519
Non-recurring revenues 7,867 10,218 7,136 34,593 19,786	Rental	216	254	226	1,028	1,237
	Recurring revenues	182,816	173,517	131,578	670,087	399,656
Revenues \$ 190,683 \$ 183,735 \$ 138,714 \$ 704,680 \$ 419,442	Non-recurring revenues	7,867	10,218	7,136	34,593	19,786
	Revenues	\$ 190,683	\$ 183,735	\$ 138,714	\$ 704,680	\$ 419,442

(2) We define cash cost of revenues as cost of revenues less depreciation, amortization, accretion and stock-based compensation as presented below:

Cost of revenues	\$ 108,302	\$ 109,863	\$ 92,480	\$ 414,659	\$ 263,745
Depreciation, amortization and accretion expense	(40,866)	(38,005)	(31,870)	(145,338)	(94,206)
Stock-based compensation expense	(1,206)	(1,257)	(1,109)	(4,641)	(4,128)
Cash cost of revenues	\$ 66,230	\$ 70,601	\$ 59,501	\$ 264,680	\$ 165,411

The geographic split of our cash cost of revenues is presented below:

U.S. cash cost of revenues	\$ 37,256	\$ 37,506	\$ 32,970	\$ 141,355	\$ 118,044
Asia-Pacific cash cost of revenues	9,517	8,848	7,105	35,006	24,914
Europe cash cost of revenues	19,457	24,247	19,426	88,319	22,453
Cash cost of revenues	\$ 66,230	\$ 70,601	\$ 59,501	\$ 264,680	\$ 165,411

(3) We define cash gross profit as revenues less cash cost of revenues (as defined above).

(4) We define cash operating expenses as operating expenses less depreciation, amortization, stock-based compensation, restructuring charges and gains on asset sales. We also refer to cash operating expenses as cash selling, general and administrative expenses or "cash SG&A".

(5) We define cash sales and marketing expenses as sales and marketing expenses less depreciation, amortization and stock-based compensation as presented below:

Sales and marketing expenses	\$ 20,263 \$	16,009 \$	13,117 \$	66,913 \$	40,719
Depreciation and amortization expense	(1,300)	(1,560)	(1,553)	(6,059)	(1,881)
Stock-based compensation expense	(3,216)	(2,367)	(2,485)	(10,637)	(8,925)
Cash sales and marketing expenses	\$ 15,747 \$	12,082 \$	9,079 \$	50,217 \$	29,913

(6) We define cash general and administrative expenses as general and administrative expenses less depreciation, amortization and stock-based compensation as presented below:

General and administrative expenses	\$	35,214	\$ 35,529	\$ 33,672	\$ 146,564	\$ 105,794
Depreciation and amortization expense		(1,896)	(2,512)	(2,495)	(9,450)	(7,388)
Stock-based compensation expense		(8,712)	(8,938)	(8,105)	(39,807)	(29,678)
Cash general and administrative expenses	\$	24,606	\$ 24,079	\$ 23,072	\$ 97,307	\$ 68,728
(7) Our cash operating expenses, or cash SG&A, as defined above, is pro-	esented below:					
Cash sales and marketing expenses	\$	15,747	\$ 12,082	\$ 9,079	\$ 50,217	\$ 29,913
Cash general and administrative expenses		24,606	24,079	23,072	97,307	68,728
Cash SG&A	\$	40,353	\$ 36,161	\$ 32,151	\$ 147,524	\$ 98,641
The geographic split of our cash operating expenses, or cash SG&A,	is presented below:					
U.S. cash SG&A	\$	24,069	\$ 22,728	\$ 20,508	\$ 89,697	\$ 74,472
Asia-Pacific cash SG&A		5,409	4,638	4,693	19,767	15,834
Europe cash SG&A		10,875	8,795	6,950	38,060	8,335
Cash SG&A	\$	40,353	\$ 36,161	\$ 32,151	\$ 147,524	\$ 98,641

(8) We define adjusted EBITDA as income (loss) from operations less depreciation, amortization, accretion, stock-based compensation expense, restructuring charges and any gains on asset sales as presented below:

Income from operations	\$	24,561	\$ 21,535		3 \$, .	\$ 10,11
Depreciation, amortization and accretion expense		44,062	42,077	35,91		160,847	103,47
Stock-based compensation expense		13,134	12,562	11,69	9	55,085	42,73
Restructuring charges		2,343	799		-	3,142	40'
Gains on asset sales		-	 -	(1,33	<u> </u>	-	(1,338
Adjusted EBITDA	\$	84,100	\$ 76,973	\$ 47,06	2 \$	292,476	\$ 155,39
The geographic split of our adjusted EBITDA is presented below:							
U.S. income from operations	\$	21,502	\$ 16,252	\$ 3,53	3 \$	66,342	\$ 11,53
U.S. depreciation, amortization and accretion expense		26,164	27,275	23,63	0	101,274	83,87
U.S. stock-based compensation expense		10,167	10,299	9,77	6	40,993	36,55
U.S. restructuring charges		2,343	799		-	3,142	40'
U.S. gains on asset sales		-	 -			-	
U.S. adjusted EBITDA		60,176	 54,625	36,93	9	211,751	132,36
Asia-Pacific income from operations		1,686	2,119	66	5	5,618	2,61
Asia-Pacific depreciation, amortization and accretion expense		5,873	4,419	3,76	3	18,365	9,76
Asia-Pacific stock-based compensation expense		1,534	1,555	1,37	3	5,619	5,28
Asia-Pacific restructuring charges		-	-		-	-	
Asia-Pacific gains on asset sales		-	 -	(1,33	<u> </u>	-	(1,338
Asia-Pacific adjusted EBITDA		9,093	 8,093	4,46	3	29,602	16,32
Europe income (loss) from operations		1,373	3,164	(3,41	5)	1,442	(4,034
Europe depreciation, amortization and accretion expense		12,025	10,383	8,52	5	41,208	9,83
Europe stock-based compensation expense		1,433	708	55	0	8,473	899
Europe restructuring charges		-	-		-	-	
Europe gains on asset sales		-	-		-	-	
Europe adjusted EBITDA		14,831	 14,255	5,66	0	51,123	6,702
Adjusted EBITDA	s	84,100	\$ 76,973	\$ 47,06	2 \$	292,476	\$ 155,390

Our cash gross margins by geographic region is presented below:

U.S. cash gross margins	69%	67%	64%	68%	64%
Asia-Pacific cash gross margins	60%	59%	56%	59%	56%

Europe cash gross margins		57%		49%		39%	 50%	 40%
(10) We define adjusted EBITDA flow-through rate as incremental adjusted EBITDA grow	th divided	d by incrementa	l reven	ue growth as fol	lows:			
Adjusted EBITDA - current period Less adjusted EBITDA - prior period	\$	84,100 (76,973)	\$	76,973 (69,134)	\$	47,062 (40,639)	\$ 292,476 (155,390)	\$ 155,390 (102,072)
Adjusted EBITDA growth	\$	7,127	\$	7,839	\$	6,423	\$ 137,086	\$ 53,318
Revenues - current period Less revenues - prior period	\$	190,683 (183,735)		183,735 (172,044)		138,714 (103,782)	 704,680 (419,442)	 419,442 (286,915)
Revenue growth	\$	6,948	\$	11,691	\$	34,932	\$ 285,238	\$ 132,527
Adjusted EBITDA flow-through rate		103%		67%		18%	 48%	 40%

EQUINIX, INC. CONDENSED CONSOLIDATED BALANCE SHEETS (in thousands) (unaudited)

Call, cash cquivalents and investments \$ 307,945 \$ 303,900 Accounts receivable, net 66,220 60,020 Opperty and cquipment, net 1,888,802 1,162,720 Good-Nill and dier intragglie assets, net 392,717 \$10,133 Depasts 21,548 16,721 Depasts 11,80,031 6,6404 Depasts 11,80,031 6,6404 Depasts 11,80,031 6,6404 Depasts 11,80,031 6,0404 Depasts 11,234 11,010 Task 7 2,448 10,007 Demasts 3,244 11,010 3,44 10,007 Demasts 5 13,525 1,81,868 10,007 Control typestor 3,445 5 1,81,866 10,007 Control typestor 5 13,52 5 1,81,868 Control typestor 5 13,52 5 1,81,86 Control typestor 5 13,52 5 1,81,86 Control typestor <t< th=""><th>Assets</th><th>Dec</th><th>ember 31, 2008</th><th>De</th><th>ecember 31, 2007</th></t<>	Assets	Dec	ember 31, 2008	De	ecember 31, 2007
Account revenues 6.6.09 6.089 Operstry and opuipment, end 1.368,402 1.162,720 Good Will and other intragible assets, end 393,747 510,133 Defored ta assets, end 21,548 16,731 Defored ta assets, end 118,003 6,6404 Depoits 21,548 16,731 Defored ta assets, end 14,944 1,932 Restricted ends 14,944 1,932 Takes 2,248,256 2,181,868 Other assets 3,446 3,467 Account propring 3,446 3,469 Account propring 3,845 5 14,916 Account operation and optimes 5,5992 5,992 0,920 Account operation and optimes 39,900 26,537 0,920 Account operation and optimes 39,900 26,537 0,920 Account operation and optigations 13,730 0,712 0,712 Mortigae and lons polyable 66,51,35 67,823 0,592 2,555 Defored finantical obligations <t< th=""><th>Cash cash equivalents and investments</th><th>s</th><th>307 945</th><th>\$</th><th>383 900</th></t<>	Cash cash equivalents and investments	s	307 945	\$	383 900
Poper of equipment, net 1.488,402 [1.10,270 Odowill and other intangble asses, net 118,003 6.644 Opposits 21,548 (1.5,731 Detrist tax asses, net 17,534 21,538 Detrist asses 17,544 21,533 Section of exponsis 13,644 11,692 Pepade copenses 13,644 3,437 Other asses 3,464 4,666 Construction of the source 3,444 3,437 Other asses 3,464 4,666 Construction of the source overback 3,434 3,437 Other asses 3,464 4,669 Construction of the source overback 5,592 5 1,43,68 Accord operation of expontes 5,592 5 1,43,68 Accord operation of expontes 13,524 2,535 5 1,43,68 Accord operation of expontes 13,535 3,77,63 3,764 Accord operation of expontes 13,531 12,245 5,555 Accord operation of expontes 13,631 12,2	-	ψ		ψ	,
Goodwill and other intangible assets, net 937,47 \$10,133 Geodewill and other intangible assets, net 118,003 6,604 Debt issume costs, net 17,534 21,333 Retricted cost 14,494 19382 Perpaid expresso 14,494 19382 Total asset 3,444 3,437 Other asset 3,444 4,409 Total asset \$ 2,488,266 \$ 2,1181,868 Libilities and Stockholders' Equity Accounts payable \$ 18,325 \$ 14,816 Accred express 137,750 97,412 302,028 Accred express 98,518 76,634 26,835 36,466 32,826 36,237 36,236					
Deferred in a sases, net 118.003 6.049 Deposits 12.548 6.171 Det issume coss, net 17.334 20.1333 Restrict cash 14.994 19.82 Popadi cogeness 13.424 11.070 Taxes receivable 3.434 4.099 Det asset 3.434 4.099 Case receivable 3.434 4.099 Det asset 2.448.266 \$ 2.181.868 Cacenate populor \$ 2.448.266 \$ 2.181.868 Cacenate populor \$ 15.325 \$ 1.815 Cacenate populor \$ 5.992 \$ 0.818 Cacenate populor \$ 5.992 \$ 0.818 Cacenate populor \$ 5.992 \$ 0.818 Cacenate populor \$ 3.835 \$ 0.818 Cacenate populor \$ 3.800 \$ 0.712 Cacenate populor \$ 0.818 \$ 0.712 <tr< td=""><td></td><td></td><td></td><td></td><td></td></tr<>					
Depoint 21.548 16.731 Debit summe const, net 17.354 21.333 Retricted cash 14.934 19.932 Pequid expenses 3.434 3.437 Other assets 3.444 4.909 Total asset S 2.488.266 S 2.181.868 Libilities and Stockholders' Equity Accounts payable S 18.325 S 14.824 Accounts payable S 18.325 S 14.816 Accounts payable S 18.325 S 14.825 Account propersy and equipnem 75.330 76.371	-				
Debt issuance coss, not 17,354 21,333 Retricted cosh 13,424 11,970 Pepad expenses 13,424 14,079 Takes receivable 3,446 4,069 Takes receivable 3,446 4,069 Expension in the sector i					
Restricted each 14,944 19,82 Prepaid expenses 3,444 14,070 3,444 3,443 3,443 Total sects 5 2,448,266 5 2,118,468 Construction of the sector of	1				
Prepais 13,434 11,070 Takes necrolate 3,434 3,437 Other assets 3,446 4,069 Tota sets 5 2,488,266 5 2,181,868 Labilities and Stockholder' Equity Accounts payable 5 18,325 5 14,816 Accounts payable 5 18,325 \$ 14,816 Accounts payable 5 18,325 \$ 14,816 Account of prepares 5 18,325 \$ 14,816 Account of practing obligations 137,730 97,412 30,049 Convertible dob 666,136 678,73.26 0678,236 Deferred not 28,641 26,012 0678,236 Deferred not 13,0496 10,425 25,955 0- Counters payable 13,043 12,040 26,537 - Deferred not 13,043 12,040 26,537 - Counters dobignitons 12,022 8,844 2,955 - -					
Tasks 3,434 3,437 Other assets 3,446 4,069 Total assets S 2,446,266 S 2,1181,668 Labilities and Stockholder' Equity S 18,325 S 14,816 Accounts payable S 55,992 50,230 50,230 Accrued reperties 35,593 76,594 50,320 50,230 Carcend or financing obligations 137,530 97,412 50,320 50,350,320 50,320					
Other assets 3.446 4.09 Total assets 3.446 4.09 Liabilities and Stockholder' Equity 3.00 2.181,868 Accounds payable S 18,325 S 14,816 Accound property and equipment 89,518 75,592 50,280 Capital lease and other financing obligations 137,530 97,412 Moragge and lease payable 466,136 67,8236 Canvert for the dation revenue 33,000 22,6537 Deferred rest liabilities 19,425 25,5955 Accound property and equipment of the dation revenue 33,000 22,641 26,691 Convertible dation revenue 33,000 22,641 26,955 26,537 Deferred rest liabilities 10,245 25,5555 26,537 - Causemer deprosition 12,244 8,759 -					
Total assets \$ 2,448,266 \$ 2,181,868 Labilities and Stockholders' Equity					
Labilities and Stockholders' Equity S 18,225 S 14,816 Accroad expenses 55,992 50,280 30,200 Accroad expenses 89,518 76,504 Copital lease and other financing obligations 137,530 97,412 Marging and loans payable 438,500 330,406 Convertible debt 665,136 678,236 Deferred installation revenue 28,641 26,912 Deferred rut 28,641 26,912 Deferred rut shabilities 13,311 12,140 Derivative liabilities 12,275 - Accomate provide 12,264 8,759 Customer deposits 12,264 8,759 Customer deposits 12,264 8,759 Customer deposits 12,264 8,759 Customer deposits 12,262 8,844 Deferred rut ant shother 1,472,571 1,367,436 Common stock 38 37 Additional paid-in capital 1,472,571 1,367,436 Common stock 38 23 144,432 Accomulad other's equity 892,71		¢		e	
S 18.325 S 14.816 Accured expenses 55.992 50.280 Accured property and equipment 89.518 76.504 Control other financing obligations 137.5530 97.412 Margage and loans payable 438,500 330.406 Convertible debt 665.136 67.5226 Deferred installation revenue 28.641 26.927 Deferred restructuring charges 13.311 11.2,140 Derivative liabilities 12.975 - Accured property and equipment revenue 10.614 9.556 Outwartible debt 13.311 12.140 Derivative liabilities 12.9275 - Accured restructuring charges 10.614 9.556 Outman deposits 12.925 1.367.436 Cherr davis liabilities 1.988 989 Total liabilities 1.975.915 1.367.436 Cherr davis liabilities and stockholders' equity 38 37 Actional pai-in capital (.452.800) (.58.83) Accurulaled other comprehensive income<	1 otal assets	3	2,448,200	\$	2,181,808
Accrued expenses 55,992 50,280 Accrued property and equipment 89,518 76,504 Contral lease and other financing obligations 137,530 97,412 Morgage and leans payable 665,156 667,8236 Convertible debt 665,156 678,236 Deferred installation revenue 29,300 26,537 Deferred nation listifies 19,425 25,955 Accrued restructuring charges 13,311 12,140 Derivative liabilities 12,275 - Asset retirement obligations 12,264 8,759 Quartimet deposits 1,064 9,556 Other liabilities 1,978 989 Common stock 38 37 Additional pair-in capital 1,472,571 1,376,915 Accrued refired (427,094) (555,632) Defered tax liabilities and stockholders' equity 892,715 \$14,432 Common stock 38 37 Actional pair-in capital 1,472,571 1,376,915 Accumulated other comprehensive incoone (Liabilities and Stockholders' Equity				
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Capital lasse and other financing obligations 137,330 97,412 Mortages and loans payable 438,500 330,496 Convertible debt 665,136 678,236 Deferred installation revenue 28,641 26,912 Deferred tent 19,432 25,955 Accrued restructuring charges 13,311 12,140 Derivative liabilities 12,275 - Accrued restructuring charges 110,614 9,556 Other reduction of the restructuring revenue 10,614 9,556 Other liabilities 1,972,571 1,376,915 Common stock 38 37 Additional paid-in capital 1,472,571 1,376,915 Accumulated other comprehensive income (1,525,551 1,367,436 Common stock 38 37 Additional paid-in capital 1,472,571 1,376,915 Accumulated other comprehensive income (3,888) 388,92,715 Total isoktholders' equity 892,715 814,432 Ending headcount by geographic region is as follows: 187 U.S. headcount 190 187 Ending headcount by geographic region is as follows: 190 187			89,518		
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Accumulated other comprehensive income (152,800) (3,888) Accumulated deficit (427,094) (558,632) Total stockholders' equity 892,715 814,432 Total liabilities and stockholders' equity \$ 2,448,266 \$ 2,181,868 Ending headcount by geographic region is as follows: 646 546 U.S. headcount 646 546 Asia-pacific headcount 190 187 Europe headcount 279 178					
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Total liabilities and stockholders' equity\$2,448,266\$2,181,868Ending headcount by geographic region is as follows:U.S. headcountAsia-pacific headcountEurope headcountEurope headcount279178					
Ending headcount by geographic region is as follows: U.S. headcount Asia-pacific headcount Europe headcount 279 178	Total stockholders' equity		892,715		814,432
U.S. headcount646546Asia-pacific headcount190187Europe headcount279178	Total liabilities and stockholders' equity	\$	2,448,266	\$	2,181,868
Asia-pacific headcount190187Europe headcount279178	Ending headcount by geographic region is as follows:				
Europe headcount 279 178					
Total headcount 1,115 911	Europe headcount		279		178
	Total headcount		1,115		911

EQUINIX, INC. CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS - GAAP PRESENTATION (in thousands)

(unaudited)

	Three Months Ended							Twelve M	lve Months Ended			
	December 31,		Se	ptember 30,	D	ecember 31,	December 31,		D	ecember 31,		
		2008	<u> </u>	2008		2007		2008		2007		
Net cash provided by operating activities	\$	76,295	\$	63,321	\$	13,881	\$	267,558	\$	120,020		
Net cash used in investing activities		(51,874)		(82,435)		(103,519)		(486,724)		(1,054,725)		
Net cash provided by financing activities		30,740		26,428		38,001		143,690		1,145,013		
Effect of foreign currency exchange rates on cash and cash equivalents		4,361		2,243		(1,182)		5,050		(2,238)		
Net increase (decrease) in cash and cash equivalents		59,522		9,557		(52,819)		(70,426)		208,070		
Cash and cash equivalents at beginning of period		160,685		151,128		343,452		290,633		82,563		
Cash and cash equivalents at end of period	\$	220,207	\$	160,685	\$	290,633	\$	220,207	\$	290,633		

In addition to the above condensed consolidated statements of cash flows presented on a GAAP basis, the Company presents non-GAAP condensed consolidated statements of cash flows which combine the Company's short-term and long-term investments with our cash and cash equivalents in an effort to present our total unrestricted cash and equivalent balances as presented herein in our condensed consolidated balance sheets.

Following is a reconciliation of our cash and cash equivalents to our cash, cash equivalents and investments, which is the basis of how our non-GAAP condensed consolidated statements of cash flows are presented on the following page:

Cash and cash equivalents	\$ 220,207	\$ 160,685	\$ 290,633	\$ 220,207	\$ 290,633
Short-term investments	42,112	101,892	63,301	42,112	63,301
Long-term investments	45,626	67,622	29,966	45,626	29,966
Cash, cash equivalents and investments as presented on condensed balance sheet presented herein	\$ 307,945	\$ 330,199	\$ 383,900	\$ 307,945	\$ 383,900

EQUINIX, INC. CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS - NON-GAAP PRESENTATION (1) (in thousands) (unaudited)

		Three Months Ended						welve Months Ended			
	December 31,		Septemb	oer 30,	Dece	mber 31,	31, December 31,		December 31,		
		2008	200	8	2	2007	2008		2007		
Cash flows from operating activities:											
Net income (loss)	\$	116,499	\$	7,389	\$	(6,073)	\$ 131,5	38	\$ (5,188)		
Adjustments to reconcile net income (loss) to net cash provided by operating activities:	Ψ	110,199	ψ	7,505	ψ	(0,075)	φ 151,5		(3,100)		
Depreciation, amortization and accretion		44,062	4	42,077		35,918	160,8	17	103,475		
Stock-based compensation		13,134		12,562		11,699	55,0		42,731		
Debt issuance costs		1,134		1,172		1,242	4,8		3,227		
Gains on asset sales		1,151		-		(1,338)	1,0	-	(1,338)		
Restructuring charges		2,343		799		-	3,1	42	407		
Other reconciling items		1,636		353		66	2,7		(1,812)		
Changes in operating assets and liabilities:		1,050		555		00	2,7	/0	(1,012)		
Accounts receivable		(5,369)		(2,252)		(10,929)	(9,1	52)	(17,997)		
Deferred tax assets, net		(111,067)		(2,232)		(10,)2)	(111,0		(17,557)		
Accounts payable and accrued expenses		4,922		(522)		(29,761)	9,9		(6,682)		
Accrued restructuring charges		(729)		(594)		(3,569)	(2,7		(13,669)		
Other assets and liabilities		9,165		1,729		(5,50))	22,8		17,800		
Net cash provided by operating activities		75,730		62,713		14.047	268,0		120,954		
Cash flows from investing activities:		/3,/30	·	02,713		14,047	208,0	50	120,934		
Purchase of IXEurope, less cash acquired						(63)			(541,792)		
Purchase of Virtu, less cash acquired		-		-		(05)	(23,2	-	(341,792)		
Purchase of Los Angeles IBX property		-		-		-	(23,2	+1)	(49,059)		
Purchase of San Jose IBX property		-		-		-		-	(71,471)		
Purchases of other property and equipment		- (165,582)	((- 95,445)		(121,002)	(471,1	-	(416,811)		
Accrued property and equipment		31,427	(10,226		16,035	(471,1		39,975		
Proceeds from asset sales		51,427		10,220		1,657	15,4	12	1,657		
Other investing activities		- 698		-		1,057	(13,2	-	877		
				-		-		<u> </u>			
Net cash used in investing activities		(133,457)	(8	85,219)		(103,373)	(492,1	50)	(1,036,624)		
Cash flows from financing activities:								•			
Proceeds from employee equity awards		143		6,849		8,788	26,2	30	36,356		
Proceeds from follow-on common stock offering		-		-		(38)		-	339,908		
Proceeds from convertible debt		-		-		-		-	645,986		
Proceeds from mortgage and loans payable		38,856	2	24,576		30,852	140,9		149,606		
Repayment of capital lease and other financing obligations		(958)		(956)		(961)	(3,8		(2,406)		
Repayment of mortgage and loans payable		(7,840)		(4,034)		(577)	(19,2		(2,150)		
Debt issuance costs		(40)		(7)		(63)		48)	(22,287)		
Other financing activities		579		-		-		79	-		
Net cash provided by financing activities		30,740		26,428		38,001	143,6		1,145,013		
Effect of foreign currency exchange rates on cash and cash equivalents		4,733		1,528		(1,137)	4,4		(1,924)		
Net increase (decrease) in cash, cash equivalents and investments		(22,254)		5,450		(52,462)	(75,9		227,419		
Cash, cash equivalents and investments at beginning of period		330,199	32	24,749		436,362	383,9		156,481		
Cash, cash equivalents and investments at end of period	\$	307,945	\$ 33	30,199	\$	383,900	\$ 307,9	45	\$ 383,900		
Free cash flow (2)	<u>s</u>	(57,727)	\$ (2	22,506)	\$	(89,326)	\$ (224,1	04)	\$ (915,670)		
Adjusted free cash flow (3)	\$	(57,727)	\$ (2	22,506)	\$	(90,920)	\$ (200.8	63)	\$ (255,005)		

(1) The cash flow statements presented herein combine our short-term and long-term investments with our cash and cash equivalents in an effort to present our total unrestricted cash and equivalent balances. In our quarterly filings with the SEC on Forms 10-Q and 10-K, the purchases, sales and maturities of our short-term and long-term investments will be presented as activities within the investing activities portion of the cash flow statements.

(2) We define free cash flow as net cash provided by operating activities plus net cash used in investing activities (excluding the purchases, sales and maturities of short-term and long-term investments) as presented below:

Net cash provided by operating activities as presented above	\$ 75,730	\$ 62,713	\$ 14,047	\$ 268,056	\$ 120,954
Net cash used in investing activities as presented above	(133,457)	(85,219)	(103,373)	(492,160)	(1,036,624)
Free cash flow (negative free cash flow)	\$ (57,727)	\$ (22,506)	\$ (89,326)	\$ (224,104)	\$ (915,670)

(3) We define adjusted free cash flow as free cash flow (as defined above) excluding any purchases or sales of real estate and acquisitions and proceeds from asset sales as presented below:

Free cash flow (as defined above)	\$ (57,727)	\$ (22,506)	\$ (89,326)	\$ (224,104	I) §	6 (915,670)
Less purchase of IXEurope, less cash acquired	-	-	63			541,792
Less purchase of Virtu, less cash acquired	-	-	-	23,241		-
Less purchase of Los Angeles IBX property	-	-	-			49,059
Less purchase of San Jose IBX property	-	-	-			71,471
Less proceeds from asset sales	-	-	(1,657)	-		(1,657)
Adjusted free cash flow (negative adjusted free cash flow)	\$ (57,727)	\$ (22,506)	\$ (90,920)	\$ (200,863	3) \$	6 (255,005)

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